

# FUND UPDATE

## Kōura KiwiSaver Scheme : New Zealand Fixed Interest Fund

Fund Update for the quarter ended **31 March 2022**

This update was first made publicly available on 10 May 2022

### What is the purpose of this update?

This document tells you how the Kōura Wealth KiwiSaver New Zealand Fixed Interest Fund has performed and what fees were charged. The document will help you to compare the fund with other funds. Kōura Wealth Limited prepared this update in accordance with the Financial Markets Conduct Act 2013. This information is not audited and may be updated.

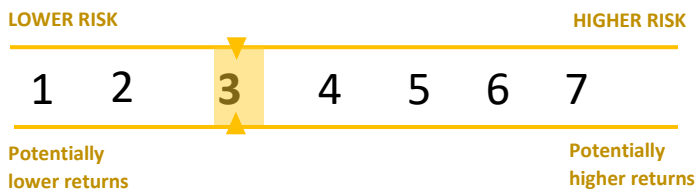
### Description of this fund

The Fund provides an exposure to New Zealand Government and Corporate bonds. The Fund will invest in underlying funds which provide exposure to New Zealand Government and Corporate Bonds or underlying securities, which will be managed directly by Kōura Wealth with the assistance of Kōura's strategic partner Hobson Wealth Partners. The Fund expects to deliver a negative return once in every 7-9 years.

|                                 |                        |
|---------------------------------|------------------------|
| Total value of the fund (\$)    | <b>\$5,858,143</b>     |
| Number of investors in the fund | <b>751</b>             |
| The date the fund started       | <b>23 October 2019</b> |

### What are the risks of investing?

Risk indicator for the New Zealand Fixed interest Fund<sup>1</sup>:



The risk indicator is rated from 1 (low) to 7 (high). The rating reflects how much the value of the fund's assets goes up and down. A higher risk generally means higher potential returns over time, but more ups and downs along the way.

To help you clarify your own attitude to risk, you can seek financial advice or work out your risk profile at <https://www.sorted.org.nz/guides/kiwisaver-which-fund-suits>

Note that even the lowest category does not mean a risk-free investment, and there may be other risks that are not captured by this rating

This risk indicator is not a guarantee of a fund's future performance. The risk indicator is based on the returns data for the five years ended 31 March 2022<sup>1</sup>. While risk indicators are usually relatively stable, they do shift from time to time. The risk indicator will continue to be updated in future fund updates.

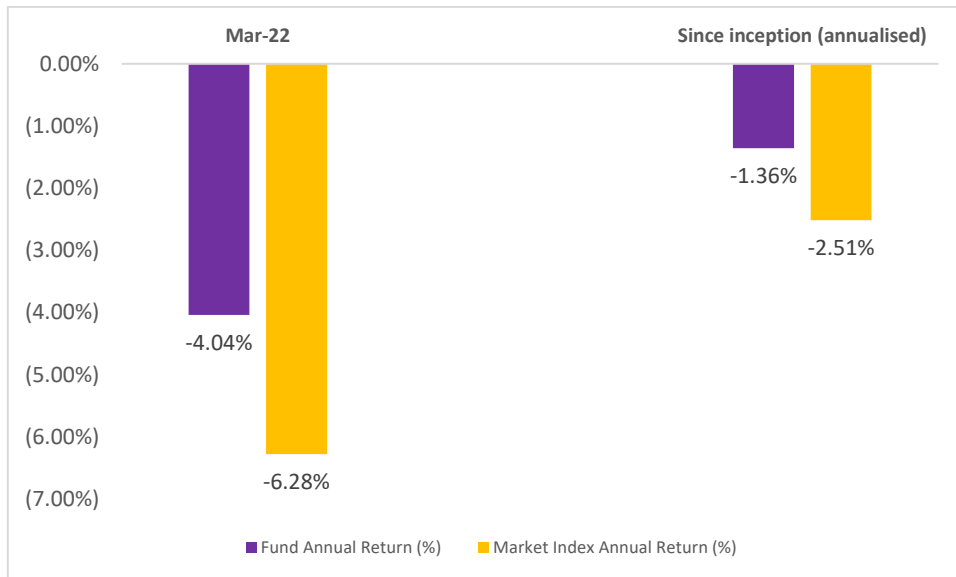
See the product disclosure statement (PDS) for more information about the risks associated with investing in this fund.

## How has the fund performed?

|                                                                                   | Past Year     |
|-----------------------------------------------------------------------------------|---------------|
| <b>Annual Return<br/>(After deductions for charges and Tax)</b>                   | <b>-4.04%</b> |
| <b>Annual Return<br/>(After deductions for charges but before Tax)</b>            | <b>-5.54%</b> |
| <b>Market index annual return<br/>(Reflects no deduction for charges and tax)</b> | <b>-6.28%</b> |

The market index for this fund is the Bloomberg NZ Bond Composite 0+Y Index. Any cash received from coupon payments and principal repayments are fully reinvested in the index. The market index return reflects no deduction for charges and tax.

## Annual return graph <sup>2,3</sup>



This shows the return after fund charges and tax for each year ending 31 March 2022 since the fund started. The last bar shows the return since the fund started, up to 31 March 2022 on an annualised basis.

Important: This does not tell you how the fund will perform in the future.

Returns in this update are after tax at the highest prescribed investor rate (PIR) 28% tax for an individual New Zealand resident. Your tax may be lower. The market index return reflects no deduction for charges and tax.

## What fees are investors charged?

Investors in the Fixed interest Fund are charged fund charges. For the year to 31 March 2022, these are:

|                                                    | <b>% of net asset value</b>       |
|----------------------------------------------------|-----------------------------------|
| <b>Total Fund charges</b>                          | <b>0.63%</b>                      |
| Which are made up of:                              |                                   |
| <b>Total Management and administration charges</b> | <b>0.63%</b>                      |
| <b>Including:</b>                                  |                                   |
| Manager's basic fee                                | 0.63%                             |
| Other Management and administration fees           | 0.00%                             |
| <b>Total performance based fees</b>                | <b>0.00%</b>                      |
|                                                    | <b>Dollar amount per investor</b> |
| <b>Administration Fee</b>                          | <b>\$30 per year</b>              |

All fund charges are exclusive of GST.

Investors are not charged individual action fees for specific actions or decisions (for example, for withdrawing from or switching funds).

## Example of how this applies to an investor

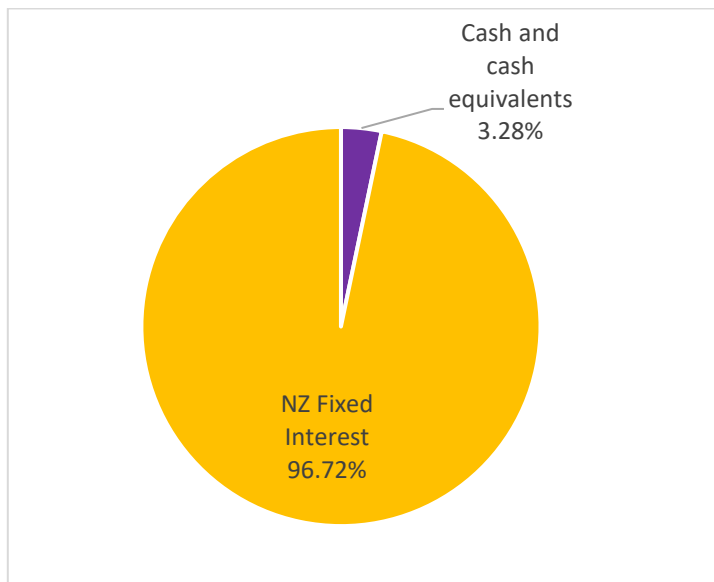
Small differences in fees and charges can have a big impact on your investment over the long term.

Lily had \$10,000 in the fund at the start of the year and did not make any further contributions. At the end of the year, Lily received a return after fund charges were deducted of (-\$404). (That is -4.04% of her initial \$10,000). Lily also paid \$30 in administration charges. This gives Lily a total return after tax and charges of (-\$434) for the year.

## What does the fund invest in?

This shows the types of assets that the fund invests in.

### Actual investment mix



### Target investment mix

|                              |     |                        |    |
|------------------------------|-----|------------------------|----|
| Cash and cash equivalents    | 1%  | International equities | 0% |
| New Zealand fixed interest   | 99% | Australasian equities  | 0% |
| International fixed interest | 0%  | Unlisted property      | 0% |
| Listed Property              | 0%  | Commodities            | 0% |
| Other                        | 0%  |                        |    |

The fund does not have an exposure to assets denominated in foreign currencies.

## Top 10 investments

| Asset Name               | % of fund net assets | Type                       | Country     | Credit rating |
|--------------------------|----------------------|----------------------------|-------------|---------------|
| ICBCAS 2.61% 27/06/2024  | 5.47%                | New Zealand Fixed Interest | New Zealand | A             |
| AIANZ 3.51% 10/10/2024   | 5.00%                | New Zealand Fixed Interest | New Zealand | A-            |
| WSTP 1.439% 02/24/26     | 4.94%                | New Zealand Fixed Interest | New Zealand | A+            |
| VCTNZ 3.45% 27/05/2025   | 4.06%                | New Zealand Fixed Interest | New Zealand | BBB           |
| AUCKCN 3.338% 27/07/2026 | 3.74%                | New Zealand Fixed Interest | New Zealand | AA            |
| HSBC 1.835% 16/08/2024   | 3.58%                | New Zealand Fixed Interest | New Zealand | AA-           |
| ANZLNZ 3.71% 01/09/2023  | 3.43%                | New Zealand Fixed Interest | New Zealand | A+            |
| BZLNZ 3.648% 16/11/2023  | 3.36%                | New Zealand Fixed Interest | New Zealand | A+            |
| VCTNZ 3.69% 26/11/2027   | 3.34%                | New Zealand Fixed Interest | New Zealand | BBB           |
| Cash at Bank             | 3.28%                | New Zealand Fixed Interest | New Zealand |               |

The top ten investments make up 40.20% of the fund. The fund has no exposure to foreign assets.

## Key personnel

This shows the directors and employees who have the most influence on the investment decisions of the fund.

| Name                     | Current position                                | Time in current position | Previous or other current position              | Time in previous or other current position |
|--------------------------|-------------------------------------------------|--------------------------|-------------------------------------------------|--------------------------------------------|
| <b>Warren Couillault</b> | Chairman, Investment Committee Member           | 2 years, 8 months        | CEO, Hobson Wealth (Current)                    | 4 Years, 8 months                          |
| <b>Rupert Carlyon</b>    | Managing Director , Investment Committee Member | 3 years, 4 months        | Director, KPMG                                  | 2 years, 0 months                          |
| <b>David Moore</b>       | Investment Committee Member                     | 2 years, 8 months        | Executive Director, UBS AG                      | 29 years, 6 months                         |
| <b>Nigel Scott</b>       | Director, Investment Committee Member           | 1 year, 1 month          | Non-Executive Director, Hobson Wealth (Current) | 1 year, 8 months                           |

## Further information

You can also obtain this information, the PDS for the Kōura KiwiSaver Scheme and some additional information from the offer register at <http://www.companiesoffice.govt.nz/disclose>. Search Koura KiwiSaver Scheme under offers.

## Notes

- As the fund started on 23 October 2019, actual returns for the fund are not available until then. To calculate the risk indicator for the five-year period ending 31 March 2022, market index returns have been used up to 31 October 2019 with actual fund returns used for the balance of the period. As a result of those market returns, the risk indicator may provide a less reliable indicator of the potential future volatility of the fund.
- Performance has been calculated from 23 October 2019, when the first investment was made in the fund.
- The bar chart show fund returns after the deduction of fees and taxes, however, the market index returns are shown before any fees or taxes are deducted.